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2.2 AFR 1985

MEMORANDUM FOR: D:	irector of	Central	Intelligence
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VIA:

Deputy Director of Central Intelligence

Deputy Director for Operations

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FROM:

Chief, Latin America Division

SUBJECT:

The Caribbean: Austerity and

Regional Stability

REFERENCE:

Memo from the DCI, dtd 15 April 85, Same Subject

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- 1. Executive Summary.
  Caribbean Basin regarding instability, anti-American attitudes, externally-imposed subversion and other pressures.
  - --There is a consensus that economic difficulties lie at the root of instability in the region. Economic pressures are cumulative and undermine public confidence in the ability of governments to promote welfare and stability. This increases the vulnerability of countries to external subversion.
  - --There is a resurgence of Cuban subversive activity and political action following Cuba's defeat in Grenada in 1983. The Cubans may be developing Guyana as a base for their regional activities.
  - --The Libyans also are more active seeking to forge alliances with anti-American and anti-French radicals. Suriname and Curacao seem to be receiving Libyan attention.
  - --Many countries have difficulty coping with subversive threats because of weak or still maturing political and social systems, and ineffective security services.

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